



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

April 9, 2002

CERTIFIED RETURN RECEIPT
7099 3400 0016 8896 3885

David Godlewski
Teck Cominco American, Inc.
15918 East Euclid Avenue
P.O. Box 3087
Spokane, Washington 99220

Re: Five-Year Review of Reclamation Surety Estimate, Teck Cominco American, Inc., Apex Mine, M/053/004, Washington County, Utah

Dear Mr. Godlewski:

Thank you for providing the requested information regarding the five-year review status of your Apex Mine, located in Washington County, Utah. The last surety estimate for this mine was \$48,200 in 1996 dollars. Upon review of the information furnished by Teck Cominco, which stated that there had been no changes at the site, we find we only need to escalate the present bond for a five-year period.

The surety for the Apex Mine escalated to the year 2007 is \$57,300. A Surety Estimate Update is attached for your use. Please provide the updated surety within 60 days or no later than June 7, 2002.

If you provide a rider to the existing surety, only minor changes will be required on the Reclamation Contract (please strikethrough the surety amount located on page 2 (enclosed) of the contract, leave it in place, then place the new amount above the old strikethrough amount and initial the change and return the contract to the Division). However, if you choose to post another form of surety, please contact Joelle Burns at (801) 538-5291 to obtain the current bonding forms or you may access the current forms on the internet at www.nr.utah.gov. If you replace the surety with another form, you will need to replace the entire Reclamation Contract. The Reclamation Contract can also be found on the web along with the bonding forms, or contact us and we will forward one to you.

If you are unable to provide the surety within this timeframe, please contact the Division with justification for requesting additional time. Thank you for your help in keeping the surety current. If you have any questions concerning this letter, please contact Doug Jensen at (801) 538-5382.

Sincerely,

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
Attachment: Surety estimate update
cc: Doug Jensen, DOGM
O:\M053-Washington\M0530004ApexMine\Final\bond-escal.doc

"OPERATOR'S REGISTERED AGENT":

(Name)

(Address)

C T Corporation System

50 West Broadway 8th Floor

Salt Lake City, Utah 84101-2006

(Phone)

(801) 364-5101

"OPERATOR'S OFFICER(S)":

See Attached

"SURETY":

(Form of Surety - Attachment B)

Surety Bond

"SURETY COMPANY":

(Name, Policy or Acct. No.)

St. Paul Fire and Marine Insurance Co.

"SURETY AMOUNT":

(Escalated Dollars)

\$48,200

"ESCALATION YEAR":

2002

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Teck Cominco American Incorporated the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/053/004 which has been approved by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.

SURETY ESTIMATE UPDATE

Teck Cominco American, Inc.

08-7 April-2002

Apex Mine

M/053/004

Washington County

Prepared by Utah Division of Oil, Gas & Mining

Last Update

12/24/96

DESCRIPTION:

-Previous reclamation surety estimate was \$48,200 in year 2002 dollars

-Reclamation Estimate base amount calculated in 1989-\$

-This update adjusts the surety amount for escalation only.

-Escalation factors through 2002 are actual Means Historical Cost Indices

-Total disturbed area = 9 ACRES

CALCULATIONS $F = P(1 + i)^{**n}$	YR	ESCAL FACTOR	BOND AMOUNT
	1987	0.0195	\$0
	1988	0.0181	\$0
	1989	0.0177	\$35,797
	1990	0.0077	\$36,073
	1991	0.0127	\$36,531
	1992	0.0221	\$37,338
	1993	0.0261	\$38,313
	1994	0.0321	\$39,542
	1995	0.0193	\$40,306
F = Future Sum	1996	0.0242	\$41,281
P = Present Sum	1997	0.0236	\$42,255
i = Escalation Factor	1998	0.0502	\$44,376
n = number of periods	1999	0.0191	\$45,224
	2000	0.0244	\$46,328
Three Yr Average = 2.82%	2001	0.0460	\$48,459
Used to Project 5 Yrs	2002	0.0282	\$49,825
From the Year 2002	2003	0.0282	\$51,230
	2004	0.0282	\$52,675
	2005	0.0282	\$54,160
	2006	0.0282	\$55,688
	2007	0.0282	\$57,258
Updated Surety Amount Rounded (2007-\$)			\$57,300
** Average cost per acre =	\$6,367	(\$/ACRE)	

Via Federal Express

teckcominco

Catherine Suda
Geologist, Land Administration

m/53/004

March 21, 2002

RECEIVED

MAR 22 2002

DIVISION OF
OIL, GAS AND MINING

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program
Utah Dept. of Natural Resources
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801

Dear Mr. Hedberg:

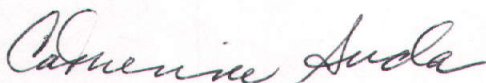
Re: Five-year Review Update, Reclamation Contract M053004

Attached is a map depicting the permit area for Reclamation Contract M053004 covering the Apex Mine in Washington County, Utah. Note that no mining activity has taken place since Cominco American, now Teck Cominco American, acquired the property. There are no active mining operations on the property at this time. No additional facilities have been built since the original reclamation contract was completed in 1984 by Hecla Mining Co.

Teck Cominco American has undertaken reclamation of several of the existing adits and shafts on the property in the last month. Openings listed on the map as numbers 2,3,4 and 7 have been capped with foam plugs and backfill material and warning signs have been posted. Location 6 was fenced for safety. Next year's plan is to reclaim the existing quarry on the mine property.

If you would like additional information during your five-year review process, please feel free to contact either David Godlewski, Environmental and Public Relations Manager, or me in the Spokane office.

Sincerely,



Catherine Suda
Geologist, Land Administration

enc.

cc: D. W. Godlewski

Teck Cominco American Incorporated

15918 East Euclid Avenue, Spokane, WA 99216

PO Box 3087, Spokane, WA 99220 ■ telephone: (509) 747-6111 ■ fax: (509) 922-8767

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

DAVID GODLEWSKI
TECH COMINCO AMERICAN INC
15918 E EUCLID AVE
PO BOX 3087
SPOKANE WA 99220

2. Article Number (Copy from service label)

7099 3400 0016 8896 3885

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly)

B. Date of Delivery

C. Signature

X

Dave Vannest

☐ Agent☐ Addressee

D. Is delivery address different from item 1?

If YES, enter delivery address below:

☐ Yes☒ No

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

11
UNITED STATES POSTAL SERVICE



First-Class Mail
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Permit No. G-10

- Sender: Please print your name, address, and ZIP+4 in this box •

DIVISION
OF
OIL GAS & MINING
1594 W NORTH TEMPLE STE 1210
BOX 145801
SALT LAKE CITY UT 84114-5801

